

ENTREPRENEURIAL SELF-EFFICACY AND PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN WARRI SOUTH LOCAL GOVERNMENT AREA, DELTA STATE

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Abstract

This study examined the relationship between entrepreneurial self-efficacy (developing new product and market opportunities, building innovative environment, defining core purpose of the organization and performance of small and medium scale enterprises in Delta State particularly hospitality industries in Warri, Delta State. A descriptive research survey design was carried out in this study, targeting a population of small and medium scale enterprises and 134 officials in the specified area. The sample size was determined using the Taro Yamane formula which consists of 100 officials selected through simple random sampling. Data collection employed a questionnaire administered to 20 business owners in Warri, Delta State, for a test-retest reliability assessment. The reliability of the instrument was established using Pearson's product-moment correlation coefficient method, validated through face validation by course lecturers and two Business management department lecturers. Data analysis involved the use of percentages and regression analysis. The statistical analysis was carried out via Microsoft Statistical software version 28.0. The study findings unveiled that developing new product can positively affects market opportunities as well as the performance of small and medium scale enterprises. The study also indicated that building innovative environment can influence the performance of small and medium scale enterprises and that defining core purpose of the organization can have a positive influence on the performance of small and medium scale enterprises in Warri South Local Government Area, Delta State. This study identifies the Risk dimension of Entrepreneurial Self-Efficacy as a significant contributor to improving firm performance, while the financial control dimension holds a comparatively lesser influence. The findings collectively suggest that all five dimensions of Entrepreneurial Self-Efficacy are crucial for achieving desirable performance outcomes in Small and Medium-Scale Enterprises. This study contributed through the provision of empirical proof showing the relationship between entrepreneurial self-efficacy (developing new product and market opportunities, building innovative environment, defining core purpose of the organization and performance of small and medium scale enterprises in Delta State particularly hospitality industries in Warri, Delta State.

Keywords: *Entrepreneurship, Self-Efficacy, Performance, of SMES*

Introduction

The performance of small and medium businesses in stimulating global economic progress has attracted researchers in recent decades. Small and medium businesses account for the transition to a market economy playing an important part in innovation, income generation and dynamism in economy and employment. Self-efficacy refers to people's beliefs about their capabilities to exercise control over their own activities.

The process of finding/co-creating, assessing, and seizing chances to generate products and services is the standard definition of entrepreneurship in business research. Entrepreneurial self-efficacy (ESE) is the idea that one can carry out roles and actions that lead to entrepreneurial outcomes. Self-efficacy is a major factor in the performance of any business outfit due to the fact that it enhances achievement of set goals. Nigeria as a case study undergoing economic challenges at every level would not have been viable for any business activity if not for the entrepreneurial spirit of dogged individuals through self-efficacy.

The pivotal role of small businesses in stimulating economic growth and development has been a central focus for scholars worldwide. Understanding the factors that can amplify the performance of small businesses is crucial to ensure their sustained growth and continued contributions to society. Enhancing the performance of small businesses is imperative, as suboptimal performance can lead to business failure. Entrepreneurial Self-Efficacy pertains to an individual's confidence in their ability to identify and capitalize on opportunities during the establishment and growth phases of a business. This quality holds significant importance in the context of small businesses, as the decisions and actions of the business owner directly shape the firm's trajectory and, consequently, its overall performance. The entrepreneur's belief in their capability to achieve desired outcomes in entrepreneurial endeavors directly impacts the business's performance. Entrepreneurial Self-Efficacy emerges as a critical factor for entrepreneurs to successfully navigate the challenges inherent in running a small business.

It is widely acknowledged that the pivotal role of small and medium enterprises (SMEs) is indispensable for the development of any nation, and their impact on fostering economic independence is undeniable. A robust SME sector significantly promotes economic advancement by addressing unemployment concerns and fostering innovation. Particularly in developing economies, the contribution of SMEs to the Gross Domestic Product (GDP) is substantial, surpassing that of large-scale enterprises. In many Asian nations, this sector generates over seventy-five percent of the gross domestic product, underscoring its crucial role in shaping and sustaining economic growth.

Furthermore, the speed at which a transition occurs from an underdeveloped stage to a developed stage is hastened by a highly effective SME sector. Nonetheless, this sector encounters numerous challenges in many developing countries, including a low level of technology, a deficiency in management and entrepreneurial skills, a lack of timely market information, and subproduct and service quality (Acharya, Rajan, & Schoar, 2007). Consequently, only 20 percent of SMEs manage to endure for eight years, a survival rate notably lower than their Western counterparts. In European nations, over 50 percent of businesses persist beyond the initial five years.

The role of entrepreneurs is pivotal in determining the survival and growth of Small and Medium Scale Enterprise as they serve as the driving force behind these entities. In the volatile landscapes of developing countries, marked by various constraints, the significance of their role becomes even more pronounced. These entrepreneurs must possess the ability to rebound in the face of sudden shocks arising from unpredictable political, economic, and legal circumstances. Against this backdrop, it is crucial to investigate whether there are specific characteristics that render entrepreneurs more resilient in such challenging environments.

The primary focus of numerous developing countries is the establishment of a highly efficient Small and Medium Scale Enterprise sector. However, contrary to expectations, the majority of Small and Medium Scale Enterprise in South Asia encounter various constraints, including policy inertia, misaligned government priorities, insufficient infrastructure, inappropriate technology, and a lack of information, lagging significantly behind their Western counterparts. In these volatile environmental conditions, the pressure on the essential human agency of these entities has intensified, hindering their contributions to the economies.

In the face of these constraints, entrepreneurs who are effective and resilient are more likely to ensure the survival of their ventures in the midst of the prevalent high failure rates in these countries. Therefore, it is crucial to comprehend how more effective SME entrepreneurs perform in their operations (Gray, 2006). This study examined the relationship between entrepreneurial self-efficacy (developing new product and market opportunities, building innovative environment, defining core purpose of the organization and performance of small and medium scale enterprises in Delta State particularly hospitality industries in Warri, Delta State.

Statement of Problem

A significant factor contributing to the elevated failure rates of SMEs is the limited level of entrepreneurial self-efficacy (ESE). The way entrepreneurs think and behave plays a crucial role in determining business success. Entrepreneurial self-efficacy is linked to self-confidence and entrepreneurial mindset, and these elements exert positive influences on both entrepreneurial behavior and performance. The individual attributes of an entrepreneur hold substantial importance in personal accomplishments and entrepreneurial achievements.

The objective of this research is to examine the connection between entrepreneurial self-efficacy (developing new product and market opportunities, building innovative environment, defining core purpose of the organization and performance of Small And Medium Scale Enterprises in Delta State particularly hospitality industries in Warri, Delta State.. The outcomes of this study can provide valuable insights to Small And Medium Scale Enterprises owners, offering a clearer understanding of how the personal attributes of entrepreneurs can impact the performance of Small And Medium Scale Enterprises in Delta State

While previous research has indicated a positive correlation between Entrepreneurial Self-Efficacy (ESE) and business performance, many of these studies focused on university students rather than on practicing entrepreneurs, resulting in a lack of diversity in the sampled populations. Consequently, research on General Self-Efficacy (GSE) is considered more suitable, as entrepreneurs necessitate a diverse range of roles and skills. Identifying a comprehensive yet concise list of specific tasks explicitly associated with entrepreneurial activities is deemed challenging.

Entrepreneurs' confidence in their capacity to confront business challenges stands out as a key personal attribute influencing successful business performance and the attainment of performance objectives. Given that General Self-Efficacy (GSE) encompasses a broad and consistent sense of personal competence in effectively managing various stressful situations, prior studies have failed to confirm the association between self-efficacy and the performance of small and medium-scale enterprises in Warri South Local Government Area, Delta State.

Objective of the study

The main purpose of this study is to examine the impact of entrepreneurial self-efficacy on performance of small and medium scale enterprises in Warri, Delta State. The specific objectives of the study were to:

- (1) examine the effect of developing new product and market opportunities on performance of small and medium scale enterprises in Warri South Local Government Area, Delta State..
- (2) determine the influence of building innovative environment on the performance of small and medium scale enterprises in Warri South Local Government Area, Delta State.
- (3) evaluate the effect of defining core purpose of the organization on the performance of small and medium scale enterprises in Warri South Local Government Area, Delta State.

Research Questions

- (1) What are the effect of developing new product and market opportunities on performance of small and medium scale enterprises in Warri South Local Government Area, Delta State.?
- (2) What are the influences of building innovative environment on the performance of small and medium scale enterprises in Warri South Local Government Area, Delta State.?
- (3) What are the effects of defining core purpose of the organization on the performance of Small and Medium Scale Enterprises in Warri South Local Government Area, Delta State.?

Research Hypotheses

The hypotheses were stated in the null form;

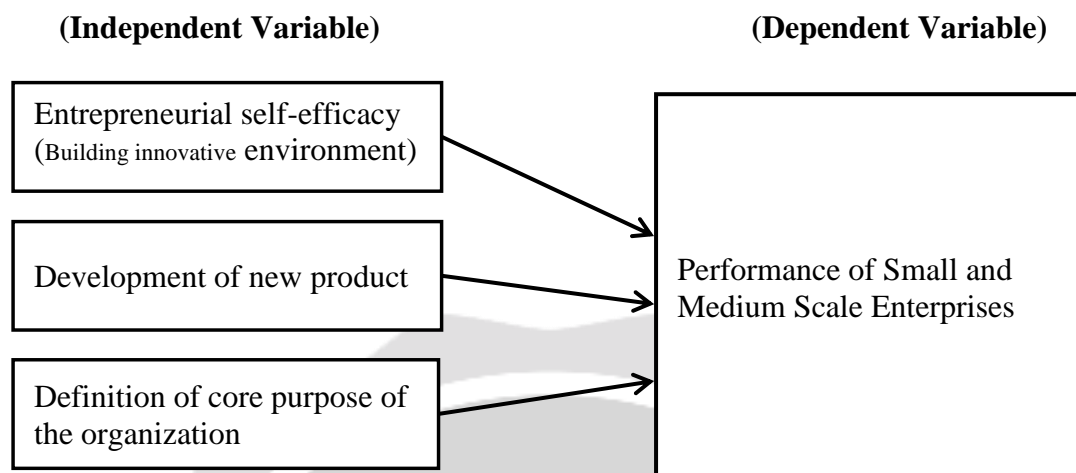
H₀₁: Ability to develop new product and market opportunities are positively related to performance of Small and Medium Scale Enterprises.

H₀₂: Ability to build an innovative environment is positively related to performance of Small and Medium Scale Enterprises

H₀₃: Ability to define core purpose is positively related to performance of Small and Medium Scale Enterprises.

Review of Related Literature

Conceptual Framework



Source: Researcher's conceptualization (2023)

Figure 1: The researcher's 2023 conceptual framework explores the relationship between entrepreneurial self-efficacy and the performance of small and medium-scale enterprises in Warri, Delta State. The independent variable in this study is entrepreneurial self-efficacy, while the dependent variable is the performance of small and medium-scale enterprises. The subsequent concepts are examined in the following sections:

Entrepreneurial Self-efficacy and performance of Small and Medium Scale Enterprises

Self-efficacy is an individual's confidence in their capability to carry out a specific task within a particular domain. According to Bandura (1997), self-efficacy is defined as an individual's conscious beliefs regarding their abilities to mobilize motivation, cognitive resources, and actions required to successfully complete tasks within a given context. The development of an individual's self-efficacy can be influenced by performance achievements, personal experiences, verbal encouragement, and physiological conditions, as outlined by Bandura (1977) and Bandura (1989).

The concept of self-efficacy has been extended to entrepreneurial self-efficacy (ESE), which pertains to an individual's confidence in their ability to perceive business challenges, confront them, and devise solutions to achieve anticipated business objectives. ESE is recognized as a crucial trait that signifies an individual's capacity to become an entrepreneur and anticipate entrepreneurial behavior in intricate and uncertain conditions. According to McGee et al. (2009), ESE is defined as the belief in one's abilities to perform various tasks associated with entrepreneurship. Self-efficacy plays a pivotal role in entrepreneurship as it influences the decisions and actions of the owner within the organization.

Self-efficacy is characterized as an individual's personal assessment of their cognitive and physical capabilities to exert control over situational demands. This term specifically denotes the extent to which individuals perceive themselves as having the competence to successfully fulfill diverse entrepreneurial roles. Meanwhile, Bandura (1977) employed the term self-efficacy to describe a person's proficiency and competency in task performance, goal attainment, and overcoming obstacles. In essence, the concept of self-efficacy is rooted in the psychological construct of the Social Cognitive Theory (SCT), which elucidates how people's beliefs in their capabilities can influence their actions and yield desired outcomes. Most researchers have subdivided self-efficacy into two categories: Entrepreneurial Self-Efficacy (ESE) and General Self-Efficacy (GSE). The former pertains to an individual's confidence in successfully undertaking various entrepreneurial roles and tasks (Urban, 2006). According to the literature, ESE enhances self-confidence and abilities to perform business-related tasks, constituting essential resources for an entrepreneur.

General Self-Efficacy (GSE) represents an individual's confidence in their overall competence to excel in a diverse range of situations, expressing general self-beliefs without specific criteria. Shane et al. (2003) contended that Entrepreneurial Self-Efficacy (ESE) is a favorable attribute for business individuals, signifying the belief in one's capacity to effectively execute various tasks related to entrepreneurship.

Developing new product and market opportunities and performance of Small and Medium Scale Enterprises

Developing new product and market opportunities plays a crucial role in the intentions of launching new businesses and ventures, beyond individual accomplishments. McGee et al. (2009) and Herath (2014) propose a deeper exploration of the role of Developing new product and market opportunities in business performance, emphasizing its dependency on entrepreneurs' goals, which can vary among them. Most importantly, Bandura (1986) asserts that Developing new product and market opportunities serves as a significant mechanism for behavioral change, influencing people's daily lives and functioning as a determinant of individual performance.

Sustainable performance of Small and Medium Scale Enterprises is evaluated through three components: financial performance, environmental performance, and social performance, as indicated by Jiang et al. (2018). These elements constitute the triple bottom line of sustainability, a framework originally introduced by John Elkington (1994). Sustainable development aligns with economic prosperity, environmental well-being, and social welfare. For an organization to achieve sustainability, it must ensure financial stability, adhere to societal norms, and minimize adverse impacts on the environment.

Defining core purpose of the organization and Performance of Small and Medium Scale Enterprises

Conversely, some scholars have recommended using a general measure of defining core purpose of the organization instead of developing new product and market opportunities, as the latter is considered a construct specific to a particular domain. Recent studies have started to emphasize the examination of the relevance of defining core purpose of the organization, which is characterized as relatively stable, trait-like, and a belief in generalized competence (Jiang et al. 2018). While there are distinctions between these constructs in terms of scope, both the art of defining core purpose of the organization and developing new product and market opportunities are connected to beliefs regarding one's ability to attain desired outcomes. In many studies on business startups, the validity of defining core purpose of the organization measurements in nascent entrepreneurs has been questioned, particularly when these individuals lack entrepreneurial experience (Griffin & Ebert, 2006; Omoye, I.E et al, 2024),.

Theoretical Review

Self-Efficacy Theory

In accordance with Bandura (1977), self-efficacy is linked to human functioning through individuals' beliefs, knowledge, and confidence in their abilities to influence the environment and achieve success through their behaviours. According to Alfred Bandura's theory, self-efficacy involves people's assessments of their capabilities to overcome challenges and maintain a belief in the future success of activities and tasks (Bandura, 1986). Entrepreneurs with high self-efficacy contribute to changes in business productivity through their entrepreneurial competencies, skills, and knowledge. Bandura posits that individuals' anticipated outcomes depend on their perceptions of what can be accomplished. Those who recognize their abilities in entrepreneurial success are more likely to engage in behaviours related to business achievement.

In accordance with Bandura's Social Cognitive theory (1991) cited in Fitzsimmons and Douglas (2005), self-efficacy involves an individual's belief in their capacity to attain specific goals. Entrepreneurial self-efficacy (ESE) applies this concept within entrepreneurial research, characterizing the entrepreneur's confidence in their skills to carry out diverse tasks (Chen, 1998). Wei et al. (2020) emphasize that ESE is an individual trait of an entrepreneur, reflecting the ability to surmount challenges and achieve success in business. Furthermore, the assessment of performance has expanded beyond financial metrics to encompass social and environmental indicators, as outlined by the Triple Bottom Line (TBL) or Sustainable Performance (SP) Approach. Moreover, General Self-Efficacy (GSE) encompasses individuals' perceptions of their abilities to perform various tasks across diverse situations, extending beyond a specific focus on entrepreneurial activities alone. GSE emerges as a crucial trait that distinguishes individuals based on their attitudes and motivation in task performance.

METHODOLOGY

Research Design

A descriptive research design was used to conduct the study.

Population of the Study

The study encompasses a population of 134 small and medium-scale enterprises workers situated in Warri South Local Government Area, Delta State. Additionally, the population includes 134 staff comprising of 40 managers, 60 customer service officers and 34 marketers associated with these small and medium-scale enterprises (SMEs) in Delta State.

Sample of the study

SSS

The sample size is composed of 100 individuals selected from the pool of 134 officials affiliated with small and medium-scale enterprises (SMEs). The determination of the sample size was achieved using the Taro Yamane formula (1967). This is the portion of the population selected to take part in the study. The sample size for this study is 100 managers, customer service officers and marketers who operate the small and medium-scale enterprises in Warri. Sample Size will be obtained using the Taro Yamane formula. The taro Yamane formula is stated thus: $n = N / (1 + N (e)^2)$

Where:

n = the sample size.

N = the population of the study.

e = the margin of error

Substitution into the formula:

$$n = 134 / (1 + 134(0.05)^2)$$

$$n = 134 / (1 + 134(0.0025))$$

$$n = 134 / (1 + 0.335)$$

$$n = 134 / 1.335$$

$$n = 100.35$$

$$n = 100$$

The sample size is therefore 100 comprising of 20 managers, 30 customer service officers and 50 marketers drawn from the 40 registered small and medium-scale enterprises in Warri.

Sampling technique

The sampling technique involves the method employed to select a sample for the research study. The researcher utilized the simple random sampling method for this purpose. Simple balloting was applied in the process of selecting the 20 managers, 30 customer service officers and 50 marketers were drawn from the 40 registered small and medium-scale enterprises in Warri South.

Study Instruments

The tool employed for gathering data is questionnaire, the sample of 100 staff comprising of 20 managers, 30 customer service officers and 50 marketers drawn from the 40 registered small and medium-scale enterprises in Warri South. It comprises 20 questions, open-ended and close-ended, organized into two sections as follows: Section "A" includes 5 questions aimed at collecting demographic data such as age, gender, marital status, and educational background.

In contrast, Section "B" incorporates 20 questions designed to extract information related to the three primary variables of the study. To ensure effective data collection, two trained research assistants were engaged—one from AJ Eateries Nigeria Limited Warri and one postgraduate diploma (PGD) student from Delta State University, Abraka. These assistants, proficient in the native languages of the staff, underwent training on the study's objectives and the questionnaire administration process to mitigate potential bias.

Reliability of Measurement or Data

The reliability of the data collection tool was assessed through a test-retest approach. A 20-item questionnaire was given to 20 business owners in the Warri South Local Government Area of Delta State. The reliability coefficient was calculated using Pearson's product-moment correlation coefficient method. The reliability coefficient or index for the three research instruments used for data collection consist of (developing new product and market opportunities on performance of small and medium scale enterprises questionnaire 0.78), (building innovative environment on the performance of small and medium scale enterprises questionnaire 0.84) and (defining core

purpose of the organization on the performance of small and medium scale enterprises questionnaire 0.79) respectively. These indicated a high reliability index thereby making the research instruments highly reliable.

Validity of Measurement or Data

The course instructor, along with two faculty members from the Business Administration department, conducted a face validation of the questionnaire. They provided feedback on the content, appropriateness, and clarity of the questionnaire items. Subsequently, the questionnaire was revised to incorporate their suggestions.

Data Collection

The researcher, along with two research assistants, distributed the questionnaire to the staff of chosen fast food establishments and eateries in Warri Metropolis. After securing consent for participation and providing explanations, the subjects were given time to complete the questionnaire. The researcher collected the completed copies of the questionnaires, and all retrieved copies of the questionnaire were utilized for data analysis.

Data Analysis

The collected data underwent analysis through methods such as graphical frequency tables, percentages, and regression analysis. The data analysis process utilized SPSS version 28.

Table 1: Gender Distribution of Respondents

Sex	No. of Respondent	Percentage (%)
Male	39	39
Female	61	61
Total	100	100

Source: field survey 2025

The table above indicates that among the selected respondents for the research, 39 individuals were male operators of small and medium-scale enterprises, constituting 39% of the sample population. The remaining 61 respondents, representing 61% of the sample population, were also male operators of small and medium-scale enterprises.

Table 2: Age Distribution of Respondents

Age	No. of Respondent	Percentage (%)
18-31	68	68
32-45	22	22
46-59	10	10
Total	100	100

Source: field survey 2025

The table above illustrates that among the selected respondents for the research, 68 individuals, accounting for 68% of the sample population, are within the age range of 18-31. Additionally, 22% of respondents fall within the age range of 32-45, and 10% fall within the age range of 46-59.

Data Analysis

Research Question One

Table 4: What are the effect of developing new product and market opportunities on performance of small and medium scale enterprises in Warri South Local Government Area, Delta State?

S/N	ITEMS	VGE	GE	LE	VLE	\bar{x}	Std.	Decision
1	Developing new product and market opportunities	31	24	29	16	2.70	1.08	GE
2	Have the ability to see new market opportunities for new products and services.	14	27	52	8	2.49	0.83	LE
3	Have the ability to discover new ways to improve existing products.	31	47	9	13	2.96	0.96	GE

4	Have the ability to identify new areas for potential growth. .	10	10	14	66	1.64	1.02	LE
5	Have the ability to design products that solve current problems. .		2	42	56	1.46	0.54	VLE
	Overall Mean					2.25	0.88	LE

Source: field survey 2025

Key to options: VGE= Very Great Extent, GE= Great Extent, Le= Low Extent and VLE- Very Low Extent Respectively.

The findings from research question one revealed that the mean scores for items 1, 2, 3, 4, and 5 were all higher than 2.5. This suggests that respondents acknowledged to a significant extent that the impact of developing new products and exploring market opportunities positively influences the performance of small and medium-scale enterprises in Warri, Delta State. The overall mean score of 2.25 ± 0.88 indicates a general consensus that there is a positive effect of developing new products and market opportunities on the performance of small and medium-scale enterprises in Warri, Delta State

Research question Two

Table 5: What are the influences of building innovative environment on the performance of small and medium scale enterprises in Warri South Local Government Area, Delta State?

S/N	ITEMS	VGE	GE	LE	VLE	\bar{x}	Std.	Decision
6	Have the ability to create products that fulfill customers' unmet needs. .	24	31	29	16	2.63	1.02	GE
7	Have the ability to bring product concepts to market in a timely manner	8	27	52	14	2.30	0.80	LE
8	Have the ability to determine what the business will look like	31	47	13	9	3.00	0.90	GE
9	Building an innovative environment	7	66	13	14	2.66	0.81	GE
10	Have the ability to create a working environment that lets people bemoire their own boss.	10	6	48	36	1.90	0.90	VLE
	Overall Mean					2.53	0.89	Agree

Source: field survey 2025

The findings from research question two indicate that the mean scores for items 6, 7, 8, 9, and 10 were all higher than 2.5. This suggests that respondents acknowledged, to a significant extent, that fostering an innovative environment has a positive and rewarding impact on the performance of small and medium-scale enterprises in Warri, Delta State. The overall mean score of 2.53 ± 0.89 reflects a general consensus that building an innovative environment positively influences the performance of small and medium-scale enterprises in Warri South Local Government Area, Delta State.

Research question Three

Table 6: What are the effects of defining core purpose of the organization on the performance of small and medium scale enterprises in Warri South Local Government Area, Delta State?

S/N	ITEMS	VGE	GE	LE	VLE	\bar{x}	Std.	Decision
11	Have the ability to develop a working environment that encourages people to try out something new.	29	37	24	10	2.85	0.96	GE
12	Have the ability to formulate a set of actions in pursuit of opportunities. .	55	32	10	3	3.39	0.79	GE
13	Have the ability to identify potential sources of funding for investment .	13	23	57	9	2.44	0.82	LE
14	Have the ability to identify and build management teams. .	7	69	10	14	2.69	0.80	GE
15	Have the ability to develop contingency plans to backfill key technical staff	10	6	36	48	1.78	0.95	VLE

16	Have the ability to recruit and train key employees. .	29	37	24	10	2.85	0.96	GE
17	Developing critical human resources	55	32	10	3	3.39	0.79	GE
18	Have the ability to persist in the face of adversity .	13	23	57	9	2.44	0.82	LE
	Overall mean					2.63	0.86	Agree

Source: field survey 2025

The outcomes of research question three revealed that the mean scores for items 11, 12, 13, 14, 15, 16, 17, and 18 were all above 2.5. This suggests that respondents acknowledged, to a significant degree, that defining the core purpose of the organization has positive and beneficial effects on the performance of small and medium-scale enterprises in Warri, Delta State. The overall mean score of 2.63 ± 0.86 indicates a collective agreement that defining the core purpose of the organization has a positive and beneficial impact on the performance of small and medium-scale enterprises in Warri, Delta State.

TEST OF HYPOTHESES

Test of Hypotheses One

H₀₁: Ability to develop new product and market opportunities is not positively related to the performance of Small and Medium Scale Enterprises. Questions 1, 2, 3, 4 and 5 were used to test hypothesis 1.

Table 7: SUMMARY OUTPUT

<i>Regression Statistics</i>					
Multiple R	0.059962				
R Square	0.003595				
Adjusted R Square	-0.32854				
Standard Error	23.68633				
Observations	5				
N	100				
<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	6.073494	6.073494	0.010825	0.923699
Residual	3	1683.127	561.0422		
Total	4	1689.2			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	42.06024	18.19939	2.31108	0.103928	-15.858	99.97881	-15.858	99.97881
	0.427711	4.110822	0.104045	0.923699	-12.655	13.51018	-12.655	13.51018

RESIDUAL OUTPUT

<i>Observation</i>	<i>Predicted 56</i>	<i>Residuals</i>	<i>Standard Residuals</i>
1	44.1988	-29.1988	-1.42343
2	42.91566	-12.9157	-0.62963
3	45.48193	17.51807	0.854
4	42.91566	7.084337	0.345359
5	42.48795	17.51205	0.853706

The null hypothesis is rejected, and the alternative hypothesis is accepted, indicating a statistically significant positive relationship (42.06024). This suggests that the capacity to create new products and explore market opportunities is positively associated with the performance of Small and Medium Scale Enterprises. This

conclusion is drawn from the statistical values: multiple R = 0.059962, R-Square = 0.003595, Adjusted R-Square = -0.32854, and a significant F value of 0.923699, with a probability value of 0.103928, which is less than 0.05 or 5%. In essence, it is implied that the ability to develop new products and market opportunities correlates positively with the performance of Small and Medium Scale Enterprises.

TEST OF HYPOTHESES 2

H₀₂: Ability to build an innovative environment positively related to the performance of Small and Medium Scale Enterprises.

Questions 6, 7, 8, 9 and 10 were used to test hypothesis 2

Table 8:Summary Output

<i>Regression Statistics</i>	
Multiple R	0.583622
R Square	0.340614
Adjusted R Square	0.120819
Standard Error	16.17814
Observations	5

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	405.6036	405.6036	1.54969	0.301566
Residual	3	785.1964	261.7321		
Total	4	1190.8			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	54.44643	14.50243	3.754297	0.033019	8.293224	100.5996	8.293224	100.5996
5	-3.00893	2.417072	-1.24487	0.301566	-10.7011	4.683272	-10.7011	4.683272

RESIDUAL OUTPUT				
<i>Observation</i>	<i>Predicted 37</i>	<i>Residuals</i>	<i>Standard Residuals</i>	
6	51.4375	8.5625	0.611141	
7	45.41964	4.580357	0.326919	
8	30.375	1.625	0.115983	
9	39.40179	-24.4018	-1.74166	
10	27.36607	9.633929	0.687613	

The null hypothesis is rejected, and the alternative hypothesis is accepted, indicating a statistically significant positive relationship (54.44643). This suggests that the capability to establish an innovative environment is positively associated with the performance of Small and Medium Scale Enterprises as evident from the statistical values: multiple R = 0.583622, R-Square = 0.340614, Adjusted R-Square = 0.120819, and a significant F value of 0.301566, with a probability value of 0.033019, which is less than 0.05 or 5%. Therefore, it implies that the ability to foster an innovative environment correlates positively with the performance of Small and Medium Scale Enterprises.

Test of hypothesis 3

H₀₃: The capacity to articulate a core purpose is not correlated positively with the performance of Small and Medium Scale Enterprises. The summary output of the hypothesis test (Hypothesis 3) showed that the ability to define a core purpose is not positively linked to the performance of Small and Medium Scale Enterprises. This

hypothesis was examined using questionnaire items 11-18, as depicted in the following table. The Eviews results were utilized for testing this hypothesis.

Regression Result for Test of Hypothesis Three

Regression Statistics

Multiple R	0.972018
R Square	0.944819
Adjusted R Square	0.935623
Standard Error	14.31346
Observations	8

ANOVA

	df	SS	MS	F	Significance F
Regression	1	21047.62	21047.62	102.7339	5.36E-05
Residual	6	1229.251	204.8751		
Total	7	22276.88			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	370.9242	18.16235	20.427	8.96E-07	326.4826	415.3659	326.4826	415.3659
Disagreed	-1.09899	0.108426	-10.158	5.36E-05	-1.36429	-0.83368	-1.36429	-0.83368

RESIDUAL OUTPUT

Observation	Predicted Agreed	Residuals	Standard Residuals	Percentile	Agreed
11	146.7313	-30.7313	-2.31905	6.25	116
12	124.7516	11.24843	0.84883	18.75	129
13	232.4521	1.547897	0.116807	31.25	136
14	117.0587	11.94133	0.901117	43.75	220
15	239.046	0.953986	0.07199	56.25	230
16	217.0663	2.933687	0.221382	68.75	234
17	247.8379	0.162106	0.012233	81.25	240
18	228.0562	1.943837	0.146686	93.75	248

PROBABILITY OUTPUT

The null hypothesis is rejected, and the alternative hypothesis is accepted, indicating a statistically significant positive relationship (370.9242). This suggests that ability to define core purpose is not positively related to firm performance is therefore rejected but it can therefore be concluded that ability to define core purpose is positively related to the performance of Small and Medium Scale Enterprises.

Table 9 shows the probability of the t-Statistic of 20.4227 > 0.05 with Multiple R of 0.972018, R Square of 0.944819, and Adjusted R Square of 0.935623. Thus, the null hypothesis which states that ability to define core purpose is not positively related to firm performance is therefore rejected but it can therefore be concluded that ability to define core purpose is positively related to the performance of Small and Medium Scale Enterprises.

Summary of findings

The following are the major findings of the study:

- 1) The study showed that ability to develop new product and market opportunities are positively related to performance of Small and Medium Scale Enterprises.
- 2) The study also showed that ability to build an innovative environment is positively related to performance of Small and Medium Scale Enterprises.

- 3) The study further showed that ability to define core purpose is positively related to performance of Small and Medium Scale Enterprises.

Conclusion

The results of the study confirmed that most small and medium scale enterprises operators possess the ability to develop new product and market opportunities positively related to performance of Small and Medium Scale Enterprises.. The study has also shown that most small and medium scale enterprises operators possess the ability to build an innovative environment positively related to performance of Small and Medium Scale Enterprises..

The study has equally shown that most small and medium scale enterprises operators possess the ability to initiate investor relationships positively related to firm performance. This implies that existence of all six dimensions of entrepreneurial self-efficacy among Warri entrepreneurs is at a considerably higher level.

The entrepreneurs perceive that they have the ability to develop new products and market opportunities to build an innovative environment, initiate investor relationship, define core purpose, and cope with unexpected challenges and developing critical human resources.

Moreover existence of higher level of self efficacy among entrepreneurs will be helpful for them to improve the performance of their entities since efficacious human agency is a critical factor for the success of the entities operating in the presence of obstacles in an underdeveloped and political economy.

Recommendations

1. Based on the results of this study, it is therefore recommended that all the dimensions of Entrepreneurial Self Efficacy are important to achieve desirable performance outcomes by Small and Medium Scale Enterprises.
2. Small and Medium Enterprise operators should learn how to develop new product and market opportunities necessary for small and medium scale enterprises survival.
3. Small and Medium Enterprise operators should train their staff on how to see new market opportunities for new products and services.
4. Having the ability to determine what the business will look like. Building an innovative environment. Have the ability to create a working environment that lets people be more their own boss.

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